

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA	:	<u>INFORMATION</u>
	:	
- v. -	:	SD 21 Cr. 602
	:	
KIRILL CHUMENKO,	:	
	:	
Defendant.	:	
- - - - -	:	
	X	

COUNT ONE
(Conspiracy to Commit Securities Fraud)

The United States Attorney charges:

Relevant Individuals and Entities

1. At all times relevant to this Information until on or about March 9, 2020, CanaFarma Corp. was a privately-held Delaware corporation with offices in Manhattan, New York.

2. At all times relevant to the Information until on or about March 9, 2020, KYC Technology Inc. ("KYC") was a Canadian public company with no stock listed on any public stock exchange. On or about March 9, 2020, as part of a reverse merger, KYC acquired CanaFarma Corp. and began doing business as CanaFarma Hemp Products Corp. (together with CanaFarma Corp., "CanaFarma").

3. At all times relevant to the Information beginning on or about March 19, 2020, CanaFarma was listed on the Canadian Stock Exchange ("CSE"), and beginning on or about March 23, 2020, CanaFarma was listed on the Frankfurt Stock Exchange ("FSE").

4. At all times relevant to this Information until in or about March 2020, KIRILL CHUMENKO, the defendant, was Senior Vice President of Sales and Marketing at CanaFarma. At all times relevant to this Information after in or about March 2020, CHUMENKO was Senior Vice President of CanaFarma.

5. At all times relevant to this Information Vitaly Fargesen was held out to the public as Senior Vice President of Strategic Planning at CanaFarma.

6. At all times relevant to this Information Igor Palatnik was held out to the public as Senior Vice President of Product Acquisition at CanaFarma.

7. At all times relevant to this Information until in or about March 2020, a co-conspirator not named as a defendant herein ("CC-1") was Senior Vice President of Sales and Marketing at CanaFarma. At all times relevant to this Information after in or about March 2020, CC-1 was the Chief Operating Officer ("COO") of CanaFarma.

Overview of the Scheme to Defraud

8. From in or about March 2019 through at least in or about October 2020, KIRILL CHUMENKO, the defendant, together with Vitaly Fargesen, Igor Palatnik and CC-1, devised and carried out a scheme to defraud CanaFarma's investors by soliciting more than \$14 million in funds, including investments in private shares of CanaFarma, with false and misleading representations concerning

the company's management, products, and financials, failing to invest investor's funds as promised, causing the manipulation of the public stock price of CanaFarma for the purposes of advancing the scheme to defraud investors and enriching themselves, and secretly misappropriating at least \$4 million of CanaFarma funds for their own benefit.

Statutory Allegations

9. From in or about March 2019 through at least in or about October 2020, in the Southern District of New York and elsewhere, KIRILL CHUMENKO, the defendant, and others known and unknown, including Vitaly Fargesen, Igor Palatnik, and CC-1, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit offenses against the United States, namely (a) to commit fraud in the purchase and sale of securities, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5; and (b) to commit fraud in the offer and sale of securities, in violation of Title 15, United States Code, Section 77q(a) and 77x.

Objects Of The Conspiracy

10. It was a part and an object of the conspiracy that KIRILL CHUMENKO, the defendant, and others known and unknown, including Vitaly Fargesen, Igor Palatnik, and CC-1, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of

national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon persons, in violation of Title 15, United States Code, Sections 78j(b) and 78ff.

11. It was further a part and an object of the conspiracy that KIRILL CHUMENKO, the defendant, and others known and unknown, including Vitaly Fargesen, Igor Palatnik, and CC-1, willfully and knowingly, in the offer or sale of securities, by the use of means and instruments of transportation and communication in interstate commerce and by use of the mails, directly and indirectly (a) employed a device, scheme, and artifice to defraud; (b) obtained money and property by means of an untrue statement of a material fact and an omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in a transaction, practice, and course of business which operated or

would operate as a fraud or deceit upon the purchaser, in violation of Title 15, United States Code, Sections 77q(a) and 77x.

Overt Acts

12. In furtherance of the conspiracy and to effect the illegal objects thereof, KIRILL CHUMENKO, the defendant, and others known and unknown, including Vitaly Fargesen, Igor Palatnik, and CC-1, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about April 11, 2019, Fargesen sent an email to four prospective investors attaching the CanaFarma Business Plan, which contained false and misleading statements, and the CanaFarma marketing budget, which included a fictitious \$1 million payment for "EU operation set up and Marketing Costs."

b. On or about July 19, 2019, Palatnik sent messages to CHUMENKO with the bank routing information for a bank account in the name of Direkt Finance LLC, (the "Direkt Finance Account"), and to confirm that the Direkt Finance Account received misappropriated CanaFarma funds.

c. On or about September 16, 2019, Fargesen sent an email to an employee of a workspace company, located in New York, New York, confirming that payment had been wired to secure an office space for CanaFarma in New York, New York.

d. In or about February 2020, CHUMENKO, Fargesen, Palatnik, CC-1, the Purported CEO, and others met at CanaFarma's

office in New York, New York to take photographs of CanaFarma's purported management team to be included, in among other material, CanaFarma's investor presentation that was distributed to prospective investors in the Second Private Placement.

e. On or about May 20, 2020, the Purported CEO, acting at the direction of Fargesen, emailed a prospective investor in the Second Private Placement the investor presentation, which included false and misleading statements.

(Title 18, United States Code, Section 371.)

COUNT TWO
(Securities Fraud)

The United States Attorney charges:

13. The allegations contained in paragraphs 1 through 8 and 12 of this Information are repeated and realleged as if fully set forth herein.

14. From in or about March 2019 through at least in or about October 2020, in the Southern District of New York and elsewhere, KIRILL CHUMENKO, the defendant, and others known and unknown, including Vitaly Fargesen, Igor Palatnik, and CC-1, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails and of the facilities of national securities exchanges, used and employed, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances, in violation

of Title 17, Code of Federal Regulations, Section 240.10b-5, by:

(a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

(c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, CHUMENKO, Fargesen, Palatnik, and CC-1 engaged in a scheme to defraud CanaFarma's investors by soliciting funds based upon false and misleading representations, failing to invest investor's funds as promised, manipulating the public stock price of CanaFarma, and secretly misappropriating millions of dollars of CanaFarma funds.

(Title 15, United States Code, Sections 78j(b) & 78ff;
Title 17, Code of Federal Regulations, Section
240.10b-5; Title 18, United States Code, Section 2.)

COUNT THREE
(Conspiracy to Commit Wire Fraud)

The United States Attorney charges:

15. The allegations contained in paragraphs 1 through 8 and 12 of this Information are repeated and realleged as if fully set forth herein.

16. From in or about March 2019 through at least in or about October 2020, in the Southern District of New York and elsewhere, KIRILL CHUMENKO, the defendant, and others known and unknown, including Vitaly Fargesen, Igor Palatnik, and CC-1, willfully and

knowingly, combined, conspired, confederated, and agreed together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343.

Object Of The Conspiracy

17. It was a part and an object of the conspiracy that KIRILL CHUMENKO, the defendant, along with Vitaly Fargesen, Igor Palatnik, and CC-1, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343, to wit, CHUMENKO, Fargesen, Palatnik, and CC-1 conspired to defraud CanaFarma's investors by soliciting funds based upon false and misleading representations, failing to invest investor's funds as promised, manipulating the public stock price of CanaFarma, and secretly misappropriating millions of dollars of CanaFarma funds, through the use of interstate wires, including emails and telephone calls to and from New York, New York.

(Title 18, United States Code, Section 1349.)

COUNT FOUR
(Wire Fraud)

The United States Attorney charges:

18. The allegations contained in paragraphs 1 through 8 and 12 of this Information are repeated and realleged as if fully set forth herein.

19. From in or about March 2019 through at least in or about October 2020, in the Southern District of New York and elsewhere, KIRILL CHUMENKO, the defendant, and others known and unknown, including Vitaly Fargesen, Igor Palatnik, and CC-1, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, CHUMENKO, Fargesen, Palatnik, and CC-1, and others known and unknown, through the use of interstate wires, including emails and telephone calls to and from New York, New York, participated in a scheme to defraud CanaFarma's investors by soliciting funds based upon false and misleading representations, failing to invest investor's funds as

promised, manipulating the public stock price of CanaFarma, and secretly misappropriating millions of dollars of CanaFarma funds.

(Title 18, United States Code, Sections 1343 and 2.)

FORFEITURE ALLEGATIONS

20. As a result of committing one or more of the offenses charged in Counts One through Four of this Information, KIRILL CHUMENKO, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses that the defendant personally obtained.

Substitute Assets Provision

21. If any of the above-described forfeitable property, as a result of any act or omission by the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;


c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), and Title 28, United States Code Section 2461, to seek forfeiture of any other property of the defendants up to the value of the forfeitable property described above.

(Title 18, United States Code, Section 981(a)(1)(C);
Title 21, United States Code, Section 853(p);
Title 28, United States Code, Section 2461.)



DAMIAN WILLIAMS
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

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UNITED STATES OF AMERICA

- v. -

KIRILL CHUMENKO,

Defendant.

INFORMATION

S2 21 Cr. 602

(Title 15, United States Code, Sections
78j(b), 77q(a), 77x & 78ff; Title 17, Code of
Federal Regulations, Section 240.10b-5; and
Title 18, United States Code, Sections 2,
371, 1343 & 1349.)

DAMIAN WILLIAMS
United States Attorney
